

**Government of the District of Columbia  
Office of the Chief Financial Officer**




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**Natwar M. Gandhi**  
Chief Financial Officer

CHAIRMAN GRAY

**MEMORANDUM**

**TO:** The Honorable Vincent C. Gray  
Chairman, Council of the District of Columbia

**FROM:** Natwar M. Gandhi  
Chief Financial Officer 

**DATE:** JUN 19 2007

**SUBJECT:** Fiscal Impact Statement: "Interstate Insurance Product Regulation Compact Act of 2007"

**REFERENCE:** Draft Legislation to be Introduced – No Number Available

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**Conclusion**

The proposed legislation will have no impact on the District's budget and financial plan. No additional staff or resources will be required to implement the proposed legislation.

**Background**

The proposed legislation would authorize the Mayor to execute, on behalf of the District of Columbia, an Interstate Insurance Product Regulation Compact for the purpose of streamlining the approval of products for the insurers who utilize the compact.

The proposed legislation would provide uniformity of approval since the compacting states and the District of Columbia agree to allow companies that get approval of their product through the compact to use the products in all of the compacting states without further approvals. In addition, it provides for a clearing house to receive and review the products promptly. There are over 30 states that have already joined the compact, including the State of Maryland and the Commonwealth of Virginia.

The proposed legislation would also authorize uniform standards to be adopted for long term care products, group annuity, life insurance and disability income products. The Commission of the

Interstate Insurance Product Regulation Compact, composed of the participating states, held its first meeting in Washington D.C. on June 13, 2006 and will become fully operational in 2007.

### **Financial Plan Impact**

The proposed legislation will have no impact on the District's budget and financial plan. No additional staff or resources will be required to implement the proposed legislation. The proposed legislation is regulatory in nature and all required District Department of Insurance, Securities and Banking requirements will be absorbed by the agency's existing staff and operations.